

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

24 JULY 2012

Chairman: * Councillor Sue Anderson

Councillors: * Tony Ferrari * Barry Macleod-Cullinane
* Ann Gate * Jerry Miles

* Denotes Member present

72. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

73. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Items 9, 10, 11,12 and 13 – Chair’s Report; Revenue and Capital Outturn Report 2011/12; Presentation: Major Contracts; Development Management Performance - Householder Applications: Report on Progress – Council’s Use of Performance Information Scrutiny Review

Councillor Sue Anderson declared a non-pecuniary interest in that she worked for the National Health Service and had carried out work for Central and North West London NHS Foundation Trust. She would leave the room if discussion of any of the above items related to her interest.

Councillor Ann Gate declared a non-pecuniary interest in that she was married to the Portfolio Holder for Children, Schools and Families. She would leave the room if discussion of any of the above items related to her interest.

74. Minutes

RESOLVED: That the minutes of the meeting held on 2 February 2012 be taken as read and signed as a correct record.

75. Terms of Reference

The Sub-Committee considered its Terms of Reference.

A Member of the Sub-Committee advised that the Local Area Agreement was no longer in existence and therefore paragraph 3 of the Terms of Reference should be deleted. The Member suggested replacing this area of responsibility with responsibility for the new Health and Wellbeing Strategic Board. The Sub-Committee agreed to receive a report regarding the amendment of its Terms of Reference at a future meeting and to forward any proposed amendments to the Constitution Review Working Group for consideration.

RESOLVED: That a report regarding the amendment of the Sub-Committee's Terms of Reference be considered at a future meeting.

76. Appointment of Vice-Chairman

RESOLVED: That Councillor Barry Macleod-Cullinane be appointed Vice-Chairman of the Sub-Committee for the 2012/13 Municipal Year.

77. Public Questions and Petitions

RESOLVED: To note that no public questions were put, or petitions received.

78. References from Council and Other Committees/Panels

The Sub-Committee received a reference from the Overview and Scrutiny Committee meeting of 30 May 2012, regarding a review which had considered how the Council could most effectively communicate with young people in decision-making and community activity. The Sub-Committee was requested to give consideration to how young people could be involved in the follow up work of the review.

A Member of the Sub-Committee suggested that the Sub-Committee could extend a standing invitation to Members of the Harrow Youth Parliament to meetings of the Sub-Committee. Another Member proposed a discussion forum attended by Councillors, officers and young people in Harrow, to look at the wider Council agenda, which would enable young people to see how this related to their lives. It was agreed that further consideration be given to arranging a meeting at a community venue where the recommendations from the review could be considered.

RESOLVED: That the reference be noted.

RESOLVED ITEMS

79. Chair's Report

The Sub-Committee received a report that set out issues considered by the Chair since the last meeting of the Performance and Finance Scrutiny Sub-Committee.

A Member questioned why Police officers visited burglary offenders in their homes following their release from prison. A Member advised that this was an informal method of monitoring prisoners who had been recently released and were living in the community.

Following a question from a Member, an officer stated that the update on policing for the Olympic Games had been provided to the Safer and Stronger Communities leads. An update had been provided to the chair's briefing but had been omitted from the agenda and she undertook to circulate this information to Sub-Committee.

A Member stated that the Borough Commander had recently advised that there was a general reduction in crime in Harrow, but this appeared to conflict with recent crime statistics for the borough. The Chair undertook to look into this and report back to the next meeting of the Sub-Committee.

RESOLVED: That the report be noted.

80. Revenue and Capital Outturn Report 2011/12

The Sub-Committee received a report of the Interim Director of Resources, which had been previously considered at Cabinet on 20 June 2012. The report set out the Council's revenue and capital outturn position for 2011/12.

The Divisional Director Finance and Procurement advised that:

- the Council had delivered an overall under spend of £1.3m, after allowing for £1.8m recommended to be carried forward;
- £500k had been allocated to General Reserves and £800k to the Transformation and Priority Initiatives Fund (TPIF);
- there was £4.6m in provision for known redundancies in the Medium Term Financial Strategy (MTFS) and liabilities for the MMI;
- overall Directorates had achieved an under spend of £0.295m;
- there were emergent pressures in year at quarter 1 of around £1m; these occurred in Adults and Housing in respect of demography and in Community and Environment as a result of capitalisation issues and a reduction in the Capital Programme. Therefore a spending protocol had been issued. Some areas had held back on non-essential spend;

- there was a substantial under spend on the Capital Programme.

A Member questioned the figures relating to Adults and Housing as set out in Table 1 of the report. He queried whether the £50k under spend figure should in fact be £2m. He also noted that the original budget of £8.5m for Corporate Finance had increased to £10.3m, with an under spend of £429k. He also noted that the under spend for Place Shaping was a revised amount, whereas an over spend had been forecast initially and noted that the position was similar for the Chief Executives Directorate.

The Divisional Director Finance & Procurement advised that these changes to budget were due to virements in-year and that the budget each quarter was adjusted to reflect these, which involved changes between budgets.

A Member stated that the figure for Children's Services was closer to £1.2m and not £3.4m. He added that if there were in-year changes to the figures, then these should be clearly set out and explained in future reports. He queried why when the Adults and Housing Directorate had made savings over £2m, this amount had been taken out of the budget. In his view, the report was incomplete and lacked transparency as it was not possible to track exactly what was happening.

Another Member stated that the figures were misleading as the end of year position had changed, which made it difficult to monitor the budget.

The Divisional Director advised that:

- virements did not affect the outturn position;
- no monies had been taken out of the Adults and Housing Directorate budget, but had merely been re-allocated in line with agreed budget adjustments;
- in the past, detailed information about all virements and movements had been included in the table, however, this had been removed at the request of Members.

The Divisional Director Finance & Procurement undertook to circulate more detailed information regarding virement and movements relating to the Council's revenue and capital outturn position 2011/12 to Members of the Sub-Committee.

A Member questioned whether the Council had in place a protocol for carrying forward capital requests. The Divisional Director responded that to allow carry forwards the Capital Programme could not be over spent in total. If money was required to be carried forward for specific projects, then the total amount to be carried forward each year required approval by the Leader of the Council, the Portfolio Holder for Finance and the Corporate Director Resources.

The Member then questioned why the amount being carried forward was more than the total spend for the year, which in his view, would only make sense if there was no further additional spending anticipated for the following year. He asked on what basis capital requests were carried forward annually. The Divisional Director advised that the carry forward requests were reviewed and agreed by the Leader, the Portfolio Holder for Finance and the Corporate Director Resources as part of the outturn.

A Member asked if it was envisaged that the restructure in Property Services would lead to job losses and noted that historically there was a shortfall in Parking Enforcement revenue. The Divisional Director advised that the Property Services restructure was due to be completed in July 2012. Some posts would be deleted, leading to significant savings.

A Member stated that the £205k earmarked under the Mental Health Act seemed very low and questioned what provisions were in place to address this. The Divisional Director stated that all authorities had to re-pay all those clients who had been charged for social/home care when they should not have been charged. She advised that the majority of these payments had already been made, with a potential £100k still outstanding.

A Member questioned why the five Business Transformation projects which were still outstanding required funds to be carried forward. The Assistant Chief Executive advised that there were funds in the current year's Capital Programme which had been carried forward. He added that at the time the Corporate Programme was agreed, the Business Transformation Projects had not yet been agreed. It had been the practice in recent years to agree these amounts following submission of a successful business case. The Member stated that, in his view, these sums of money were not assigned to any particular activity and that this amounted to an 'accounting treatment', which allowed these sums to be carried forward. The Divisional Director clarified that it was a legitimate carry forward for capital projects to be completed in 2012/13. The Member further queried where the additional £800k being carried forward was from. The Divisional Director advised that the balance on the TPIF was £1.405m at quarter 3. The approved bids were set out in the report with an additional call of £0.130m on the invest to save/severance part of the fund in quarter 4. The total remaining was £1.290m in quarter 4. There was a remaining balance of £383.6m on the TPIF, with the remaining £0.800m shown in the main table as part of the £1.3m under spend. The Assistant Chief Executive clarified that the £0.800m added to the TPIF balance was derived from the £0.907m under spend on the invest to save/severance part of the fund.

In response to a question regarding the total amount spent on social care in 2011/12 from the TPIF, the Divisional Director stated that she did not have this data and undertook to circulate this to Members. She further clarified that Adult Social Care was separately funded from TPIF.

A Member noted that there had been a net overspend of £23k on the two unbudgeted for by-elections in 2011. She suggested that a contingency fund be set up for any unforeseen by-elections in the future. The Divisional

Director undertook to look into the possibility of building this contingency into the budget.

A Member requested that an update be provided on whether the staffing vacancies arising from the restructures in the Children Looked After and Children in Need teams had now been filled.

A Member reminded officers that the Sub-Committee had in the past requested that glossaries be provided to explain any acronyms used in reports and suggested that residents would find such a glossary useful and that this should be published on the Council's website. The Divisional Director undertook to circulate a glossary to Members of the Sub-Committee.

RESOLVED: That the report be noted.

81. Report on Progress - Council's Use of Performance Information Scrutiny Review

The Sub-Committee received a report of the Divisional Director, Partnership Development and Performance which provided an update on the Council's use of performance information and the implementation of the recommendations made in phase 2 of the Scrutiny Review.

The Divisional Director Partnership Development & Performance drew Members' attention to the following:

- not all targets had been delivered as there had been some issues around capacity and the launch of the Local Information System (LIS) in September 2011;
- the Ward Profiles in the LIS would contain live data to ensure this information was useful to Councillors and invited Members of the Sub-Committee to meetings of the focus group which would be evaluating the effectiveness of the LIS.

The Divisional Director stated that a further report would be submitted to the Sub-Committee in 6 months' time.

RESOLVED: That the report be noted.

82. Development Management Performance - Householder Applications

The Sub-Committee received a report of the Divisional Director Planning which set out the basis for under performance of the Planning Service against the published 6 week target determination period for householder planning applications and outlined the actions being undertaken by the service to respond to the performance issues raised.

The Divisional Director Planning stated that the 6 week performance indicator target, which was not a statutory target, had been set up to evaluate whether behaviours could be changed. He advised that research carried out between

3-4 years ago had revealed high performance against national targets but poor performance in terms of the relationship with the Planning Committee.

The current performance had been due to staffing levels and workloads arising from current budget challenges. Future focus has been directed towards outcomes as there were indirect costs associated with refusal rates. However, the Council had not incurred any financial penalties in terms of its underperformance against the 6 week target. The main issue had been around consistent validation of the time taken to validate registration and the ability to consistently apply target timelines of decisions for the reasons above.

The Divisional Director stated that a LEAN project was now underway to target key areas of delay in the process and improve process efficiency, alongside reducing error rates at first submission. In addition, measures including recruitment of skilled planning staff, who did not need to refer applications on to senior officers and the introduction of a pool car to improve journey times during site visits were also underway.

The feedback from local planning agents about the non-amendment policy and charging had been that more information should be provided to householders about expected outcomes and timescales for planning applications.

A Member asked if the Planning service was adequately staffed and resourced to manage its current workload and challenges. The Divisional Director stated that research carried out 5 years ago suggested that the staff ratio to cases should be between 150-200 cases per officer, per year. He added that this ratio allowed staff to complete 90% of cases, however, some planning officers at Harrow had up to 230 cases, while others had fewer. The number of staff required also depended on variables such as which IT/Software system was being used. Planning officers were working hard with a system that was under pressure. The Planning Department were in the process of enhancing processes and systems and implementing software solutions which would allow officers to improve their capacity to support the objective of enabling them to manage larger caseloads (over 200 cases each per annum). This would improve productivity. There were staffing issues related to staff retention and ensuring that officers had the appropriate skills base.

A Member challenged that some planning officers breached the upper limit significantly in terms of caseload, which, in his view, was alarming. He asked what the global financing requirement for the planning service was and added that if the service was below the required threshold then it was important to understand how and why. The Divisional Director advised that recently there had been some issues around heavy workloads due to unforeseen absences in his department. Currently the service was meeting national performance indicators. In terms of dealing with planning applications, the service was operating at the upper end of its capacity with limited prospects for additional resource to be made available. This would require the service to review some discretionary services if resources were to be further squeezed.

A Member requested details of the cost implications of each option as it would be helpful to compare these against the performance of other comparative boroughs. The Divisional Director stated that his department used the Local Government Association's indicator suite and that Harrow was one the better performing boroughs in this area.

A Member queried why a 6 week period had been chosen. The Divisional Director advised that technically a planning application could be completed in 22 days/4 weeks, with the decision being issued the day after the consultation period had expired. He added that some authorities had been working towards processing applications in 5-8 weeks, however, their performance had been patchy. He added that the 8 week period began from receipt of a valid application, however, if officers did not check the validity of an application upon receipt, then this could lead to a backlog. Previously, validation requirements had been difficult to understand and officers had lacked the requisite skills to make accurate judgements. He added that the Northgate and Civica systems were also "clunky" at their interface which made it difficult to access the level of detailed data required to carry out a meaningful evaluation.

A Member stated that the figure of 87% of applications determined in 8 weeks indicated a fairly consistent performance and demonstrated that the service had the requisite number of officers to deliver such results. He asked whether the lean review would enable savings or allow officers to be deployed to other tasks.

The Divisional Director stated that there was a high performance culture in his team. Any backlog depended on Planning officers and Access Harrow teams working together to a specific end date, that is 8 weeks/56 days. He added that he would like to see the service's capability improve to 50 days without the need for officers to be working to excess. He added that there were some deeper issues, for instance, between 47%-50% of applications were not valid at initial submission, which could lead to a backlog. If a backlog built up to the point when it became business critical, then officers were tasked with reducing it, which impacted on their ability to carry out day-to-day tasks and manage their workloads. The long-term solution for this would be to reduce the number of errors, improve staff training and staff skill sets and clarify guidance for applicants and officers. An officer added that, if, for example, an applicant failed to submit payment with their form, they were written to and asked to submit a new application, which also could contribute to the backlog. The process has now been changed so that the officer will call the applicant to resolve any minor issues to prevent unnecessary delays.

A Member asked if planning officers received overtime pay or were eligible for time off in lieu. The Divisional Director advised that, in general, planning officers did not receive overtime pay, and only received it under exceptional circumstances, if, for example, they had worked weekends. They could, however, claim flexi time. He added that planning officers took a great deal of pride in their work and hence often worked long hours. The Member expressed the view that officers working overtime may be an indication that either workloads were excessive and that the service was under staffed, or that there were staff retention issues. He asked whether the amount of

overtime worked by officers was recorded and whether any statistical data was available about this. The Divisional Director stated that exit interviews had not shown that working overtime had been a contributing factor in staff leaving. He added that the service could undertake a benchmarking exercise in this area which would be reported to the Sub-Committee in the future.

A Member requested that a report providing further details of the impact of the lean review on the service be submitted at a future meeting of the Sub-Committee. An officer invited Members of the Sub-Committee to attend one of the forthcoming lean review sessions.

The Chairman suggested that this issue of staffing be reported in greater detail at a future meeting of the Sub-Committee.

RESOLVED: That the report be noted and a further report be submitted to the Sub-Committee.

83. Exclusion of the Press and Public

RESOLVED: That, in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item for the reason set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
11.	Major Contracts	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

84. Presentation: Major Contracts

An officer gave a presentation which set out a summary of the Council's major contracts and procurement activity for the period 2010/12. The officer stated that in the future, a report detailing this information would be submitted to the Sub-Committee on a six monthly basis.

A Member requested a briefing on SAP and the Chair agreed that this could be addressed initially at a future Chair's briefing.

In response to a question from a Member and officer suggested that the Sub-Committee be briefed on the adults' service quality assurance arrangements to better understand how standards of care are safeguarded through the commissioning process.

A Member requested an update on take up of the website for personalised budgets.

RESOLVED: That the presentation be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.25 pm).

(Signed) COUNCILLOR SUE ANDERSON
Chairman